

STRONG, HEALTHY NEIGHBORHOODS

2030 GOALS:

- Mitigate impacts of gentrification through targeted homebuying programs, strategic acquisitions, community land trusts, tenant assistance, and expanded outreach to seniors
- Reduce the number of foreclosures on homeowners to fewer than 20 per year
- Reduce the lender-held REO inventory by at least 50 percent by 2016
- Successfully resolve problem properties using all available regulatory tools
- Support the creation of mixed-income developments and neighborhoods
- Build on the Healthy Homes initiatives, forming new connections between housing and health

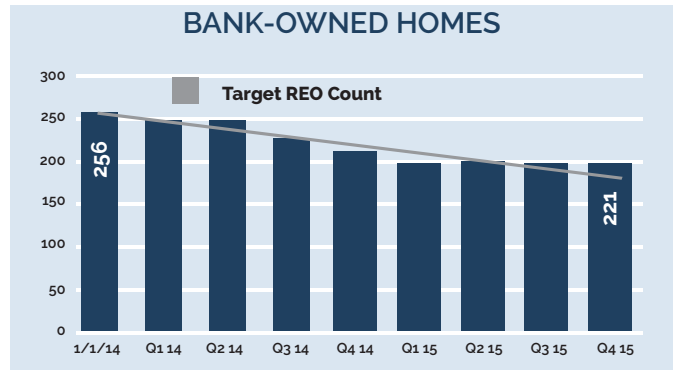
PERFORMANCE TO DATE

ANNUAL FORECLOSURE RATE

With a rate of approximately 18 foreclosures per quarter in 2015, Boston maintains a very low foreclosure rate for a city of more than 80,000 homeowners; however, the rate has been rising in recent months. Some evidence suggests that these foreclosures are lenders attempting to close their books on the remaining defaulted sub-prime loans from the mid-2000s.

BANK-OWNED HOMES

The number of bank-owned (REO) homes declined by 14%, from 256 at the beginning of 2014 to 221 at the end of 2015. After significant reductions in 2014, the REO stock remained stable in 2015, as new foreclosures kept pace with REO sales.



FORECLOSURE PREVENTION

From 2014-2015, the Boston Home Center and its nonprofit partners prevented 441 homeowners from going into foreclosure. Six additional homeowners who sought assistance during this timeframe were foreclosed upon. On a quarterly basis, the City and its partners are preventing foreclosures at three times the rate the banks are completing them.

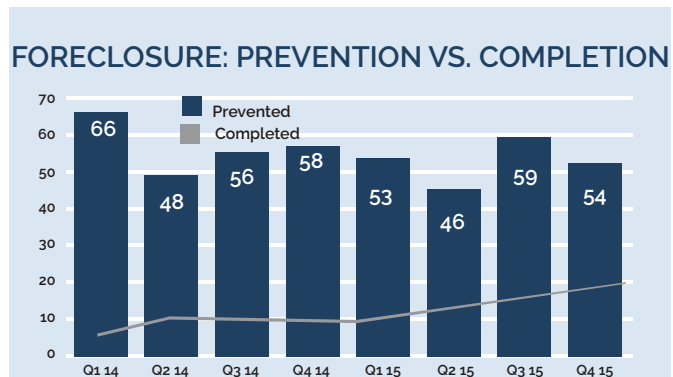
LEAD PAINT & FAIR HOUSING INITIATIVE

In the first year of the Boston Lead Paint & Fair Housing Initiative, the Office of Fair Housing And Equity (OFHE) achieved 225% of its projected five-year goal for lead outreach and education.

The Inspectional Services Department is on target for lead determinations, at 21% of its five-year goal.

HOMEOWNERSHIP ACCESS

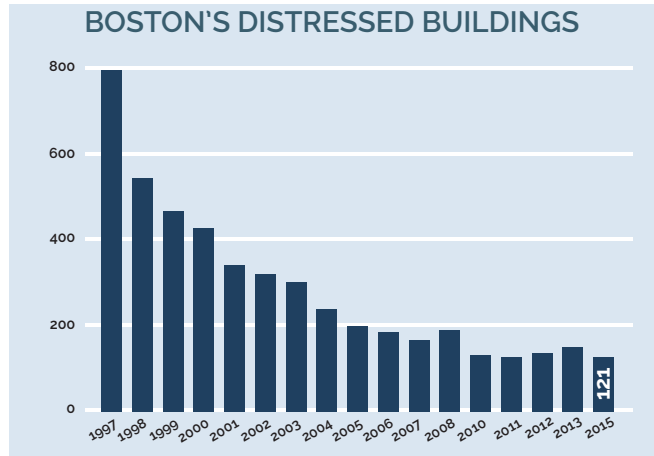
The City's homebuyer assistance programs continued to perform highly in promoting fair housing in the homeownership sector. Two-thirds of City-assisted homebuyers were persons of color; twice the participation rate experienced in the private market.



2015 HIGHLIGHTS

DISTRESSED PROPERTIES 1997-2015

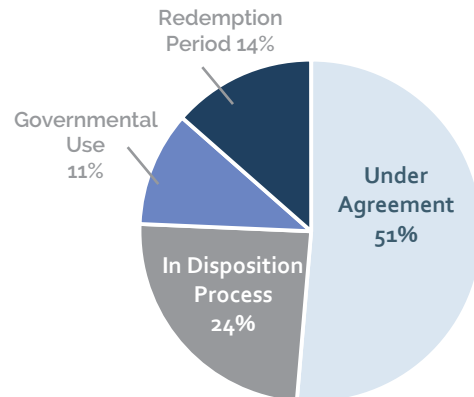
In 2015, the number of distressed buildings in Boston dropped to the lowest level ever recorded in 18 years of building surveys. The number of distressed residential properties declined from 147 in 2013 to 121 in 2015, an 18% decline. With 129,000 buildings in Boston, distressed properties now represent less than two tenths of one percent of Boston's buildings.



TAX-FORECLOSED BUILDING INVENTORY STATUS

The declining inventory of distressed properties is also reducing the number of vacant properties taken by the City through the tax foreclosure process. As of the end of 2015, DND had no new buildings in its inventory that were not already in the disposition process, awaiting redemption by the former owner, or being held for governmental uses.

2015 TAX-FORECLOSED BUILDING BY STATUS



LEAD PAINT & FAIR HOUSING INITIATIVE

The Office of Fair Housing And Equity (OFHE) partnered with Navin Associates to conduct the City's first community survey targeted to high-risk areas regarding lead paint risks and housing discrimination.

LEAD PAINT COALITION 2015 ACTIVITY

Lead Inspections (ISD)	70
Contractors Trained: Lead Safe Renovations (BHPC)	36
Homeowners Trained: Lead Safe Renovations (BHC)	96
Households Educated: Fair Housing & Lead (FHE)	5,643
Units Delead: Lead Safe Boston (BHC)	53

The Lead Paint Partnership between OFHE, ISD, the Boston Home Center, and the Boston Public Health Commission reported a strong year's worth of education activities, including de-leading 53 units of housing, and training 36 new contractors to conduct safe lead removal.

AFFIRMATIVE MARKETING

In 2015, the Office of Civil Rights conducted 21 affirmative fair housing marketing lotteries for affordable units created with public funding, or through the Inclusionary Development Policy. 27 new Affirmative Fair Housing Marketing Plans were approved.

NEW INFORMATION TO CONSIDER

FORECLOSURE: PETITIONS & PREVENTIONS

While the foreclosure crisis of the last decade has ended, banks have not stopped their foreclosure activities.

The number of foreclosure filings seen in early 2014 may be a “floor level” of foreclosure activity; however, as long as banks are issuing mortgages, there will always be a small number of homeowners in default. For this reason, there will always be a need for foreclosure prevention services, even though there are virtually no sub-prime or high-APR mortgages being issued any more.

In addition, there has been a rise in the number of petitions in 2015. This matter is currently being analyzed to see if this is normal housing market activity, or an indicator of a shift in the marketplace.

DISABILITY HOUSING TASK FORCE

In the original version of this plan, access to housing for persons with disabilities was only discussed in regard to housing Boston’s low-income, non-elderly residents; however, The Mayor’s Disability Housing Task Force (DHTF) convened three times in 2015 to assess and outline all housing needs of the disability community.

The DHTF has formed working groups with three main areas of focus:

1. Increasing the supply of housing for non-elderly persons with disabilities;
2. Improving the search process to obtain accessible housing and training providers of affordable housing;
3. Increasing support services related to housing for persons with disabilities.

The DHTF will complete its plan within the next sixty days, and begin implementation immediately following.

HUD FAIR HOUSING RULEMAKING

On July 16, 2015, the US Department of Housing and Urban Development (HUD) issued a final rule with regard to the obligation to affirmatively further fair housing. While the obligation is part of the Fair Housing Act of 1968, this rule was designed to clarify and set clear guidelines on how HUD grantees can “further the Act’s goals of promoting fair housing and equal opportunity.” In order to achieve these goals, and for communities to analyze the local “fair housing landscape and set locally-determined fair housing priorities and goals,” HUD grantees will be required to complete an Assessment of Fair Housing (AFH).

The new rule and Assessment of Fair Housing requires grantees to address fair housing issues that cut across all sectors of access and opportunity. HUD grantees can build on existing collaboration between housing and transportation, education and employment access, environmental, health, and other community assets. Expanding access to opportunity will rely on engagement among many government agencies in concert with community participation.

SUPREME COURT DECISION

On June 25, 2015, the U.S. Supreme Court issued a decision in the case *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project*. This was a closely watched case in the fair housing community. The decision upheld the principle that claims of discrimination based on membership in a protected class can be based on an allegation of disparate impact.

Disparate impact is a theory of discrimination where a facially neutral policy or practice has a “disproportionately adverse effect” on members of protected classes and is “otherwise unjustified by a legitimate rational”. Intent to discriminate is not a requirement. Disparate impact cases generally rely on statistical analysis. Bringing claims of housing discrimination using disparate impact theory is an important tool in continuing to eliminate discriminatory housing practices.

CHALLENGES & OPPORTUNITIES

To ensure that Boston's housing plan remains current and relevant, the City, along with the Housing Task Force, will review new policies annually with an eye toward making course corrections and improvements. Below are some challenges and opportunities that could impact the City's ability to meet the challenge of strong, healthy neighborhoods.

Foreclosure and the Housing Marketplace

That foreclosures are occurring at such low levels is good news, but one area of focus should be the growing number of senior homeowners and the rise of reverse mortgage lending. Many senior homeowners have significant amounts of home equity, enhanced by Boston's strong real estate market. That equity may prove to be a target for unscrupulous lenders and scams. With the Senior Housing Assistance Network established, it must become a valuable tool for connecting with Boston's seniors to warn them of emerging threats.

Pending Court Decision

In late 2015, the case *Burbank Apartments Tenants Association, et al. v. William M. Kargman, et al.*, was argued before the Massachusetts Supreme Judicial Court on appeal. This case is about the applicability of the Federal Fair Housing Act and Massachusetts General Law c. 151B to a property owner's choice to not renew project-based Section 8 housing subsidies. The result of this case could have wide-reaching implications for owners of subsidized housing, by requiring that fair housing impacts be included in these opt-out decisions.

Assessment of Fair Housing

As a result of HUD's release of the final rule on affirmatively furthering fair housing, the City of Boston will be required to complete an Assessment of Fair Housing in late 2017. HUD recently has released the Assessment of Fair Housing Toolkit and AFFH Rule Guidebook to guide HUD grantees through this process, and the City has begun preliminary planning for the AFH. The City of Boston is in a positive position to achieve the goals of AFH – the City's housing agencies and other departments collaborate on a regular basis

about building healthy, sustainable homes, and the City can build upon strong relationships with state and other regional agencies. As part of this process, the City will be convening a Fair Housing Task Force to examine the fair housing landscape, the impediments and barriers to housing choice, and recommendations to address those concerns.

Fair Lending

As part of a Fair Lending Initiative, OFHE will work with City housing agencies, housing advocates, and academics to examine racial disparities in homeownership rates and mortgage lending, with an eye toward targeted improvement of current City educational efforts about mortgage lending and fair lending. The Fair Lending Initiative will seek to review current research, educational efforts, and best practices in fair lending, to understand economic issues at play, and to provide information to prospective homebuyers for issue spotting.

Legislative Efforts

There are a number of legislative actions underway to promote fair housing and equity goals:

- An Act Relative to Promoting Fair Housing Practices (Rep. Evandro Carvalho) Bill H.162 Joint Committee on Consumer Protection and Professional Licensure.
- An Act to Increase Fair Housing Protections for Survivors of Domestic Violence (Rep. Gloria Fox) Bill H. 1301. Joint Committee on the Judiciary. A hearing was held May 2015; decision is pending.
- An Act Relative to Lead Abatement (Rep. Jeffrey Sanchez) Bill H.2049 Joint Committee on Public Health. A hearing was held June 2015; decision is pending.